



MINUTES OF THE BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Sachi A. Hamai, Executive Officer-  
Clerk of the Board of Supervisors  
383 Kenneth Hahn Hall of Administration  
Los Angeles, California 90012

At its meeting held August 29, 2006, the Board took the following action:

79-A and 79-I

The following items were called up for consideration:

79-A

Supervisors Knabe and Burke's recommendation to authorize the Chief Administrative Officer to transfer \$250,000 from the Homeless Housing Program Budget to the Los Angeles Homeless Services Authority (LAHSA), for the establishment of a line of credit to enable LAHSA to support their service providers while payments are being processed; also instruct the Chief Administrative Officer to negotiate an agreement with the City of Los Angeles to ensure a fair share contribution towards the administrative needs of LAHSA; and

79-I

Supervisor Yaroslavsky's recommendation to authorize the transfer of \$128,500 from the Homeless and Housing Program Budget Unit to the Los Angeles Homeless Services Authority (LAHSA), to cover the initial expenses related LAHSA's biennial homeless count commencing in September; and transfer the remaining balance of the County's share in amount of \$281,500 for a total of \$410,000 to LAHSA, once the transfer of the City of Los Angeles' share of funding in amount of \$410,000 to LAHSA is complete.

David E. Janssen, Chief Administrative Officer, and Larry Adamson, Commissioner for the Los Angeles Homeless Services Authority, responded to questions posed by the Board.

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79-A and 79-I (Continued)

The following statement was entered into the record for Supervisors Knabe and Burke (Agenda No. 79-A):

“In the past several years, the Los Angeles Homeless Services Authority (LAHSA) has been marred by inquiries from the United States Department of Housing and Urban Development (HUD), as well as audits from the City of Los Angeles and from the County. They continue to fail to live up to their mandate; a mandate that our LAHSA Commissioners, our Auditor-Controller, and our Chief Administrative Officer believe they cannot meet without additional resources. This is further supported by the Blue Consulting Management Report on LAHSA that was commissioned by the County and the City.

“Most concerning is that homeless shelter operators – the ones that are in the trenches serving this challenging population throughout the County – experience unnecessary financial challenges stemming from LAHSA’s inability to conduct business in a timely manner. Recently, New Image Emergency Shelter for the Homeless, which serves the homeless in the City of Los Angeles as well as the City of Long Beach, wrote to LAHSA explaining that they have to continually borrow on their own line of credit to continue services, while waiting for months to be compensated by LAHSA. This is a reality facing not only New Image, but many other critical service providers such as the Salvation Army that rely on timely funding from LAHSA and wait for months to be paid.

“The Chief Administrative Officer has developed a set of recommendations for use of the \$2 million this Board set aside for LAHSA, including \$250,000 for LAHSA to establish a line of credit. This is a critical fiscal tool that will enable LAHSA to better support their service providers while they process payments.

“We cannot wait any longer to address problems with LAHSA that have been brought to our attention time and again, and it is our expectation that Los Angeles City will fulfill their obligation to support LAHSA as well.

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"We therefore recommend that the Board:

1. Authorize the Chief Administrative Officer to transfer \$250,000 from the Homeless Housing Program Budget to the Los Angeles Homeless Services Authority, for the establishment of a line of credit to enable LAHSA to support their service providers while payments are being processed; and
2. Instruct the Chief Administrative Officer to negotiate an agreement with the City of Los Angeles to secure a 50/50 split between the County and the City of Los Angeles in LAHSA's administrative Budget."

The following statement was entered into the record for Supervisor Yaroslavsky (Agenda No. 79-I):

"The Los Angeles Homeless Services Authority is preparing to commence its biennial homeless count in September. Funding for the study (\$820,000) is to be divided equally by the County and the City of Los Angeles. The representatives of the Los Angeles City Mayor's office have informed us that their \$410,000 share will be presented to the City Council for approval during the month of September. However, the study should be undertaken in a timely manner and needs to commence before the City's appropriations process is complete.

"I therefore recommend that the Board:

1. Authorize the Chief Administrative Officer to transfer \$128,500 from the Homeless and Housing Program Budget Unit to the Los Angeles Homeless Services Authority, to cover the initial expenses related LAHSA's biennial homeless count commencing in September; and
2. Authorize the transfer of the remaining balance of the County's share in the amount of \$281,500 for a total of \$410,000 to LAHSA, once the transfer of the City of Los Angeles' share of funding in amount of \$410,000 to LAHSA is complete."

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79-A and 79-I (Continued)

Supervisor Antonovich made the following statement in relation to Agenda Nos. 79-A and 79-I:

“Today we are addressing allocations to fund the Homeless Count and a line of credit to support the Los Angeles Homeless Services Authority’s short-term cash flow needs, contemplating the City of Los Angeles’ matching allocations. In the near future, there will be a request for allocations to cover additional LAHSA operations staff; training programs for LAHSA’s fiscal staff; a contractor to conduct fiscal reviews; and a contractor to conduct full documentation reviews of Housing and Urban Development Supportive Housing contracts.

“The financial accountability between the City and the County requires uniformity as it relates to requesting and approving budgets to support LAHSA’s administration and operations. The Joint Powers Agreement between the City and the County created LAHSA for the purpose of coordinating the operation of existing City and County services to the homeless. However, LAHSA’s primary mission and role must be better defined. Currently, the existing planning process does not make sufficient provision for tracking outcomes. It is also essential that the accountability and responsibilities of the City and County to LAHSA be more clearly defined.”

Therefore, Supervisor Antonovich made a motion that the Chief Administrative Officer, in consultation with County Counsel, be directed to:

1. Report back in 30 days on its progress in working with the City to amend LAHSA’s Joint Powers Agreement and Bylaws to:
  - Clarify LAHSA’s protocols for requesting funding from the County and/or City for LAHSA administrative and operational expenses;
  - Better define LAHSA’s mission and role in dealing with the Countywide homeless population;

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79-A and 79-I (Continued)

- Assure that LAHSA's strategic planning process includes encouraging the participation and presence of other municipalities and unincorporated areas where substantial homeless populations exist; and
- Develop data-based outcome measurements for LAHSA's multi-million dollar expenditures.

The following statement was entered into the record for Supervisors Burke and Molina:

"In light of the recommendations from the Chief Administrative Officer and Blue Consulting that address how best to use the \$2 million that the Board of Supervisors set aside for Los Angeles Homeless Services Authority, to avoid their recurring fiscal problems, the need for additional staff should be addressed immediately, including allocation of \$103,000.00 for additional staff for programs, finance and information technology. Additionally, Blue Consulting also outlined recommendations around training programs to increase the expertise of fiscal staff as well as implementing on-site fiscal monitoring reviews and full documentation of United States Department of Housing and Urban Development (HUD) grants.

"HUD conducted an audit last year and threatened to de-fund the agency if these critical fiscal issues were not addressed, risking the \$60 million that they pour in to Homeless issues. The time has come to take action to avoid these problems from happening in the future."

Therefore, Supervisor Burke made a motion that the Board:

1. Authorize the Chief Administrative Officer to transfer \$103,000 or 50% of the amount of salaries from the Homeless Housing Program Budget Unit to LAHSA to cover the additional staff recommendations identified by the Chief Administrative Officer and noted in the Blue Consulting report; and
2. Instruct the Chief Administrative Officer to report back within 90 days on the implementation and costs associated with the remainder of the Chief Administrative Officer's recommendations regarding LAHSA fiscal staff training, the fiscal reviews and the full documentation reviews of HUD grants.

(Continued on Page 6)

79-A and 79-I (Continued)

After discussion, on motion of Supervisor Yaroslavsky, seconded by Supervisor Antonovich, unanimously carried, the Board took the following actions:

1. Authorized the Chief Administrative Officer to:
  - Transfer \$250,000 from the Homeless Housing Program Budget to the Los Angeles Homeless Services Authority, for the establishment of a line of credit to enable LAHSA to support their service providers while payments are being processed;
  - Transfer \$128,500 from the Homeless and Housing Program Budget Unit to the Los Angeles Homeless Services Authority, to cover the initial expenses related LAHSA's biennial homeless count commencing in September;
  - Transfer the remaining balance of the County's share in the amount of \$281,500 for a total of \$410,000 to LAHSA, once the transfer of the City of Los Angeles' share of funding in amount of \$410,000 to LAHSA is complete; and
  - Transfer \$103,000 or 50% of the amount of salaries from the Homeless Housing Program Budget Unit to LAHSA to cover the additional staff recommendations identified by the Chief Administrative Officer and noted in the Blue Consulting report;
2. Instructed the Chief Administrative Officer to negotiate an agreement with the City of Los Angeles to secure a 50/50 split between the County and the City of Los Angeles in LAHSA's administrative budget;
3. Instructed the Chief Administrative Officer, in consultation with County Counsel to report back in 30 days on its progress in working with the City to amend LAHSA's Joint Powers Agreement and Bylaws to:
  - Clarify LAHSA's protocols for requesting funding from the County and/or City for LAHSA administrative and operational expenses;
  - Better define LAHSA's mission and role in dealing with the Countywide homeless population;

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79-A and 79-I (Continued)

- Assure that LAHSA's strategic planning process includes encouraging the participation and presence of other municipalities and unincorporated areas where substantial homeless populations exist; and
  - Develop data-based outcome measurements for LAHSA's multi-million dollar expenditures; and
4. Instructed the Chief Administrative Officer to report back within 90 days on the implementation and costs associated with the remainder of the Chief Administrative Officer's recommendations regarding LAHSA fiscal staff training, the fiscal reviews and the full documentation reviews of HUD grants.

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Copies distributed:

Each Supervisor  
Auditor-Controller  
Chief Administrative Officer  
County Counsel  
Interim Executive Director,  
Los Angeles Homeless Services Authority